

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Social Services	(2) MEETING DATE 7/12/2016	(3) CONTACT/PHONE Tammy Aguilera - 781-1838 Michael Coughlin - 781-1908	
(4) SUBJECT Request to approve a FY 2016-17 new professional services contract (Clerk's File) for Workforce Innovation and Opportunity Act (WIOA) Youth Services with Eckerd Youth Alternatives, Inc. in the amount of \$600,000. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve, and direct the Chairperson to sign, a new professional services contract for Workforce Innovation and Opportunity Act (WIOA) Youth employment, training, and education services for Fiscal Year 2016-17 with Eckerd Youth Alternatives, Inc. (Eckerd) in the amount of \$600,000.			
(6) FUNDING SOURCE(S) WIOA Federal Funds	(7) CURRENT YEAR FINANCIAL IMPACT \$600,000.00	(8) ANNUAL FINANCIAL IMPACT \$600,000.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)  19001668		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>April 5, 2016</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Social Services / Tammy Aguilera - 781-1838  
Michael Coughlin - 781-1908

DATE: 7/12/2016

SUBJECT: Request to approve a FY 2016-17 new professional services contract (Clerk's File) for Workforce Innovation and Opportunity Act (WIOA) Youth Services with Eckerd Youth Alternatives, Inc. in the amount of \$600,000. All Districts.

## **RECOMMENDATION**

It is recommended that the Board approve, and direct the Chairperson to sign, a new professional services contract for Workforce Innovation and Opportunity Act (WIOA) Youth employment, training, and education services for Fiscal Year 2016-17 with Eckerd Youth Alternatives, Inc. (Eckerd) in the amount of \$600,000.

## **DISCUSSION**

### **Background**

On July 22, 2014, the Workforce Innovation and Opportunity Act (WIOA), the first legislative reform of the public workforce system in 15 years, was signed into law. WIOA supersedes the Workforce Investment Act (WIA) of 1998 and amends the Adult Education and Family Literacy Act of 1998, the Wagner-Peyser Act of 1933, and the Rehabilitation Act of 1973 and is designed to strengthen and improve the public workforce system and put job seekers back to work by helping workers acquire the skills employers need and help employers access the talent pool needed to compete in a global economy.

Local elected officials and the local workforce development board have direct administrative involvement in Title I "Workforce development" activities of the law (Subtitles A, B, and E) and limited cross-connect involvement with the other WIOA Titles/Subtitles and programs. WIOA Title I services include the provision of youth employment, training, and education programs in local workforce areas and requires a competitive process for the award of contracts for youth services.

### **WIOA Youth Services Procurement and Contract Award**

WIOA youth services are provided through a comprehensive youth development system that links local community, youth and education stakeholders. Specific types of services include: tutoring, study skills training, instruction leading to completion of secondary school, alternative school services, mentoring, paid and unpaid work experience, occupational skills training and appropriate supportive services (i.e., clothing assistance and transportation). WIOA focuses youth program services to out-of-school youth, requiring that a minimum of 75% of funding goes towards serving this population. Locally, WIOA Youth program serve transitional age youth 16-24 years old. At least 20% of WIOA Youth funds are required to go to work experience learning opportunities including paid and/or unpaid work experiences. WIOA Youth programs place emphasis on career pathways for youth, dropout recovery, and education and training that lead to attainment of a high school diploma *and* a recognized postsecondary credential.

On July 7, 2015, Board Item #22, your Board approved a service contract with Henkels and McCoy (H&M) in the amount of \$594,694 for WIOA Youth Services for the period of July 1, 2015 through June 30, 2016. On January 29, 2016, Henkels & McCoy notified the County they shifted their business focus and eliminated their Training Services Division which handled the WIOA Youth contract, with an effective date of March 31, 2016. Henkels & McCoy proposed transitioning

their youth services contract to Eckerd Youth Alternative, Inc. (Eckerd). To continue providing services to WIOA enrolled youth participants through June 30th, the County requested and was granted a waiver to the County Contract for Services Policy for the remainder of FY 2015-16, allowing the County to enter into a contract with Eckerd Youth Alternative, Inc. (Eckerd), resulting in a seamless transfer of services to participants in the WIOA Youth program. The Workforce Development Board approved the scope of work and budget of the Eckerd contract at the March 9, 2016 Executive Committee Meeting with your Board approving the sole source contract on April 5, 2016 through Board Item #27. The term of the contract with Eckerd was three (3) month period starting April 1, 2016 through June 30, 2016.

Due to the limited duration of the sole source contract award, the County issued a Request for Proposal (RFP) for FY 2016-2017 WIOA youth services. The RFP identified the services required for WIOA which include: the 14 required elements identified in WIOA (and identified below in Program Year 2016-2017 services); focus on out-of-school youth (OSY); requiring minimum of 75% of funding goes towards OSY; serve transitional age youth 16-24 years old; and expend at least 20% of WIOA Youth funds on work experience learning opportunities. The RFP was released on March 21, 2016 and responses were due on April 11, 2016.

Two proposals were received in response to the RFP. As required by County Purchasing Procedures, the County convened a panel of individuals with relevant expertise on April 14<sup>th</sup>, 2016 to review the proposals based on the criteria outlined in the RFP. On April 19<sup>th</sup>, 2016, the Executive Committee of the Workforce Development Board authorized the County to commence contract negotiations and contract development with Eckerd for a PY 2016-2017 Youth Services provider. A recommendation was made to the Workforce Development Board, Executive Committee based on the committee's selection of a provider. On June 8<sup>th</sup>, 2016, the Executive Committee approved the draft Scope of Services and budget for Eckerd Youth Alternatives, Inc. (Eckerd) as the selected WIOA youth services provider for PY 2016-2017 with a second and third year option to renew.

### **Program Year 2016-2017 Services**

WIOA Youth services are provided through a comprehensive youth development system that links local community, youth and education stakeholders. Eckerd has locations in Paso Robles (715 24<sup>th</sup> St., Suite K), San Luis Obispo (4251 S. Higuera St., #105) and Arroyo Grande (145 S. Halcyon Rd.). Additionally, Eckerd youth staff provide services in coordination with community-based agencies and schools throughout the county.

The Workforce Development division of Eckerd focuses on career readiness, work experience, job placement, and industry-specific training and certification. The WIOA Youth program falls under this division. Eckerd serves over 18,500 youth and families each year with over 800 employees dedicated to providing opportunities for building successful and productive lives of those they serve. Additional information about services offered by Eckerd, may be obtained at their website at [www.eckerd.org](http://www.eckerd.org).

Specific to this contract, Eckerd will provide the following WIOA youth services, either directly by the WIOA service provider or through partnering with other youth-serving agencies:

1. Tutoring, study skills training, instruction, and evidenced-based dropout prevention and recovery strategies leading to completion of requirements of secondary school, recognized equivalent, or for recognized postsecondary credential;
2. Alternative secondary school services or dropout recovery services;
3. Paid and unpaid work experiences, including summer and year-round employment opportunities, pre-apprenticeship programs, internships, job shadowing and on-the-job training opportunities;
4. Occupational skill training, with potential priority given to programs leading to recognized postsecondary credentials aligned with in-demand industry sectors/occupations;
5. Education offered concurrently and in the same context as workforce preparation activities and training for specific occupation or occupational cluster;
6. Leadership development activities, which may include community service and peer-centered activities encouraging responsibility and other positive social and civic behaviors, as appropriate;
7. Supportive services;
8. Adult mentoring for the period of participation and a subsequent period, for a total of not less than 12 months;
9. Follow-up services for not less than 12 months after the completion of participation, as appropriate;
10. Comprehensive guidance and counseling, which may include drug and alcohol abuse counseling and referral, as appropriate;
11. Financial literacy education;

12. Entrepreneurial skills training;
13. Services that provide labor market and employment information about in-demand industry sectors and occupations available; and
14. Activities that help youth prepare for and transition to postsecondary education/training.

Access to these program elements will vary by youth need, as determined by individual service strategies devised between the youth and his/her case manager, and by assessment of skills and service needs.

Performance outcomes for WIOA Youth services are linked to in-demand occupations in high-growth sectors. Financial literacy education and entrepreneurial skills training activities are new service areas included as WIOA Youth program eligible activities. Through WIOA Youth programs, youth with disabilities receive extensive pre-employment transition services to obtain and retain competitive integrated employment.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

This contract was developed in partnership with the local Workforce Development Board. County Counsel has reviewed and approved the contract as to legal form and effect.

#### **FINANCIAL CONSIDERATIONS**

The total contract amount for Eckerd is \$600,000. The funding for this contract is included in the DSS adopted budget for Fiscal Year 2016-17 and will require no General Fund contribution.

Agency	Budgeted FY 15-16	Budgeted FY 16-17	Notes	Sharing Ratios		
				Fed	State	Co
Eckerd Youth Alternatives, Inc.	\$594,694 (for Henkels & McCoy and Eckerd)	\$600,000	WIOA Youth Services	100%	0%	0%

#### **RESULTS**

##### ***Fiscal Year 2015-16 (July 1, 2015 through March 31, 2016)***

For the period of July 01, 2015 through March 31, 2016, WIOA Youth Services were provided by Eckerd (previously operating as Henkels & McCoy). As of March 31, 2016 which is when the last quarterly report was received Eckerd has accomplished the following:

- Served 130 youth participants which placed them on target for their contract goal of 138 youth.
- Provided services which resulted in the attainment of 71 occupational skills credentials including 22 youth receiving their high school diplomas.
- Fifty-one youth were provided work experience opportunities through both paid and unpaid internships.
- Supportive services were provided in 76 instances to meet the needs of youth needing assistance with transportation, clothing, exam fees and interview/job preparation.
- Provided services which supported the achievement of the following levels of State mandated performance outcomes:
  - 68% (47 of 69) of exited youth were employed or enrolled in post-secondary education in first quarter after exit;
  - 88% (61 of 69) of exited youth earned a diploma, GED or certificate by end of third quarter after exit;
  - 50% (8 of 16) of enrolled youth achieved an increase in one or more educational functioning levels.

## **Program Year 2016-2017 WIOA Performance**

As the State of California, Employment Development Department (EDD) has not yet issued performance rates for the WIOA Performance Outcomes, Eckerd will continue to provide WIOA Youth services that support the County's achievement of the following WIA Performance Outcomes based on performance rates previously negotiated with EDD:

- 65% of the total youth served being placed in employment or education in the first quarter after the exit quarter.
- 64% of youth attaining a diploma, GED, or certificate by the end of the third quarter after the exit quarter.
- 55% of youth participants increasing one or more educational functioning levels.

As of this date, EDD has not identified a timeline for negotiation of additional 2016-17 performance standards. We anticipate receiving additional negotiated WIOA performance standards by December, 2016. Upon negotiation of the performance standards with EDD for WIOA, the six following performance indicators will be incorporated into the contract:

- 1) Achieving employment or involved in education/training activities or unsubsidized employment during the second quarter after exit from program.
- 2) Achieving employment or involved in education/training activities or unsubsidized employment during fourth quarter after exit from program.
- 3) Median earnings of participants in unsubsidized employment during second full calendar quarter after exit from program.
- 4) Attainment of recognized postsecondary credential (including registered apprenticeship), a secondary school diploma, or its recognized equivalent either during program or within 1 year after program exit.
- 5) Participation during a program year in education/training programs leading to: recognized postsecondary credential or employment and are achieving measurable skill gains toward such a credential or employment.
- 6) Indicator for services to employers (Prior to the second full program year after date of bill enactment, Secretary and representatives shall establish one or more primary indicators of effectiveness of core programs in serving employers).

If this contract is approved, Eckerd will be the primary operator of WIOA Youth employment, training and education service delivery in our county. Youth workforce development services offer key components for improving performance in essential employment and educational skills for local job seekers and employers. By offering this level of support, it is anticipated that the local workforce will be strengthened and those working will have employment opportunities that support self-sufficiency. These outcomes support the Department and County goal of a strong and viable economy.

## **ATTACHMENTS**

1. Attachment 1 - Clerk's File Statement